AUSTRALIAN PACKAGING COVENANT

ACTION PLAN

FOR

Kodak (Australasia) Pty Ltd

Kodak

July 2010 to June 2015

Executive Summary

Kodak (Australasia) Pty Ltd is part of the U.S.-based Eastman Kodak Company. Kodak markets photographic and multimedia products and services throughout Australia, and exports to Asia and Pacific Rim countries.

All packaging design decisions are made at our global headquarters in Rochester, New York. Since 2004-05, all Kodak products have been imported as finished goods and shipped directly to wholesaler/retailers. Kodak's Australian operations therefore have little, if any, ability to influence product design and packaging considerations. However, we benefit from comprehensive corporate responsibility and Kodak's exemplary environmental management practices, as well as supplier conformance with Kodak's procurement guidelines, which apply a life-cycle approach to environmental management. Initial analysis shows that these efforts meet or exceed the Covenant's Sustainable Packaging Guidelines.

Company Profile

Kodak (Australasia) Pty Ltd is part of the U.S.-based Eastman Kodak Company. Kodak markets photographic and multimedia products and services throughout Australia, and exports to Asia and Pacific Rim countries.

In 2004 and early 2005, Kodak (Australasia) Pty Ltd underwent the most significant restructuring in the company's history, which resulted in substantial changes from previous involvement under the Covenant. Manufacturing operations at Coburg, Victoria, and all Kodak conventional photo processing wholesale operations across Australia were closed. Many retail stores were also closed. Our headquarters are now located in Abbotsford, Victoria.

All packaging design decisions are made at our global headquarters in Rochester, New York. Since 2004-05, all Kodak products have been imported as finished goods and shipped directly to wholesaler/retailers. Kodak's Australian operations therefore have little, if any, ability to influence product design and packaging considerations. However, we benefit from comprehensive corporate responsibility and Kodak's exemplary environmental management practices, as well as supplier conformance with the HSE Supplier Performance Standard and the Electronic Industry Citizenship Coalition (EICC)'s Supplier Social and Environmental Responsibility Program as adopted by Kodak. These measures apply a life-cycle approach to environmental management. References for these requirements are provided in Appendix A.

Kodak has been a National Packaging Covenant signatory since 2001 and fully supports the new Australian Packaging Covenant (Covenant), its product stewardship principles and the Sustainable Packaging Guidelines (Guidelines) incorporated within the Covenant. This support is reflected in our becoming a signatory and paying our contribution to the industry funding arrangements to assist in achieving Covenant targets. The commitments outlined in the attached tables further demonstrate our commitment to the Covenant and Kodak's understanding of our roles and undertakings as a signatory. Adrian Fleming, as Managing Director of Kodak (Australasia) Pty Ltd, endorses this Action Plan and the commitments contained therein.

All correspondence regarding the Covenant should be forwarded directly to Garry Francis-Pester at the contact details below.

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E-Mail *garry.francis-pester@kodak.com*

Company Brands

Kodak is a brand owner selling a wide variety of imaging products into the Australian market. All are branded as 'Kodak'. For purposes of the Covenant, these product lines involving consumer packaging and consumer paper have been identified as:

- Consumer paper
- Film professional paper
- Consumer film, batteries, and single use cameras
- Cameras and accessories
- Kiosks / thermal paper
- Pre-press consumables (aluminium printing plates)
- Inkjet printers and media
- Entertainment imaging

Product managers are responsible for each of these product lines in Australia; further details are available upon request. Kodak's other business centres do not cause packaging to be introduced into the Australian market.

Packaging Material Types Used

Kodak uses the following packaging materials in the manufacturing and distribution process:

- Cardboard outer boxes
- HDPE film canisters with LDPE plastic caps
- Paperboard secondary boxes for individual and multi-pack films
- B5-sized paper CD packets from kiosks
- Folderlope foldable paperboard for Inkjet papers
- Inkjet printers are wrapped in thin LDPE plastic bags with two PS supports; remaining packaging is cardboard
- Certain Entertainment Imaging films (16mm & 35mm camera film - 200ft, 400ft and 1000ft) are spooled onto plastic cores and packed in aluminium cans and paperboard secondary packs; 100ft 16mm camera film is spooled onto metal spools in PP plastic fliptop boxes
- 35mm print film is packed in vacuumed sealed PET/Nylon/ULDPE plastic bags
- Chemicals are packaged typically in HDPE plastic bottles
- Plastic primary wraps
- Wood pallets
- Shrink wrap (PE & PP)
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Sustainability Practices

At Kodak we feel that sound environmental and social principles are an important part of sustaining a successful and responsible business. Suppliers to Kodak and its subsidiaries play a key role in the Company's health, safety, and environmental (HSE) performance, commitment to social responsibility, and business continuity. Kodak business leaders establish and maintain business relationships with suppliers that operate in an environmentally and socially responsible manner, maintain safe facilities and operations, and provide goods that are safe and minimise environmental burdens throughout their life cycle.

We have developed a comprehensive set of global HSE Performance Standards that include specified environmental and social requirements. In response to stakeholder feedback and as part of our commitment to continuous improvement we are regularly updating these standards.

In 2009, Kodak established Sustainability Goals designed to further engage both our employees and our supply chain about the company's sustainability efforts. The Sustainability Goals are the fourth in a series of voluntary HSE goals established by Kodak since the mid-1990s.

The Sustainability Goals include commitments to:

- raise awareness of Kodak's sustainability commitment and its expectations of employees;
- qualify all newly commercialised products to available ENERGY STAR® criteria;
- improve the environmental attributes of Kodak products throughout their life-cycle;
- identify high priority suppliers annually and assess them against the performance expectations of the EICC; and
- reduce greenhouse gas emissions from Kodak operations worldwide by 50% by 2012 (against a 2002 baseline).

In addition to our many product improvements, key results to date include:

- launching Sustainability Messaging Guidelines to assist the marketing community in delivering consistent positions on sustainability and avoiding greenwashing;
- implementing a streamlined life-cycle assessment process for measuring product improvements;
- establishing baseline environmental performance data for selected products;
- assessing 28 high priority suppliers against EICC expectations; and
- achieving greater than 40% net reduction in total GHG emissions (both direct and indirect).

Kodak is a member of the EICC, and our Supplier Social and Environmental Responsibility Program aligns with industry best practices. The EICC has established a Code of Conduct to ensure that:

- working conditions in the electronics industry are safe;
- workers are treated with respect and dignity;
- manufacturing processes are environmentally responsible; and
- suppliers operate in an ethically responsible manner.

Kodak expects its suppliers to commit to the EICC Code, which is located at: http://www.eicc.info/. The shared goal of both Kodak and the EICC is to build awareness and capability throughout the supply chain in order to achieve consistently high standards of environmental and social responsibility.

Kodak's product stewardship program is derived from the company's Corporate Responsibility Principles, HSE Policy and Performance Standards and our ISO 1400-certified corporate Environmental Management System. Kodak has a long history of product stewardship, going back many years to recovering silver from manufacturing and photofinishing operations and to efficiently recycling post-consumer polyester scrap into new film base. A simple definition of product stewardship is reducing the life-cycle impacts of products. Kodak has developed the following definition:

> *Product Stewardship is an integrated business process for identifying, managing and minimising the health, safety and environmental risks throughout all stages of a product's life in the best interest of society and our key stakeholders; customers, employees and shareholders.*

The life-cycle stages every product goes through include procurement of raw materials and components, research and development, manufacture, distribution, customer use and customer disposal or end-of-life. Kodak uses these life-cycle considerations not only to reduce HSE risks but also in the business decision-making process in order to create sustainable competitive advantage for the company.

In 1998 Kodak publicised the first set of corporate environmental goals and in 2004 the successful completion was summarised and a new broader set of corporate HSE goals for 2004-2008 was announced. From a product point of view the first goals focused on elimination of heavy metals, mercury, cadmium, chromium VI and lead from products. The 2004-2008 goals include a more expansive Product Stewardship goal, which incorporates progress across the entire life cycle but also retains a quantitative element in the elimination of lead solder and chromium VI from 95% of new products commercialised in 2008. This new Product Stewardship goal builds on the longstanding legacy of providing sound products to customers and the success of the 1999-2003 corporate goals to take Design for HSE to a new level of accomplishment.

Kodak routinely reviews its packaging strategy and designs, in addition to tracking HSE requirements and trends globally, to ensure continued worldwide compliance. Kodak's global HSE Product Specifications for Packaging and Packaging Components are addressed in the next section under our Covenant Support and Commitments.

Kodak Environmental Services (KES), part of Eastman Kodak Company's HSE organisation, is a team of professionals dedicated to helping imaging businesses cost-effectively comply with HSE issues by providing direct customer support via the internet, e-mail, or phone. Our KES website allows us to cost-effectively provide 24 hour HSE support for customer/consumers of Kodak products. Our website is available in 10 languages in support of 32 countries.

The propensity for the packaging to become litter, as well as any corporate funding or support to anti-littering and/or recycling programs, is managed by the Business Group during product commercialisation.

Consumer information, including environmental claims, environmental labels and declarations, logos and consumer education relative to the specific market, regions, and existing recycling systems is managed by the Business Group during product commercialisation. The Plastic Identification Code is clearly and visible marked on all plastic packaging where it is legally required and may be voluntarily marked on other plastic packaging.

With the advent of digital cameras and closure of all Kodak conventional photo processing wholesale operations across Australia, the take-back program for HDPE film canisters implemented for Kodak by the Photographic Marketing Association was eventually discontinued.

At our Abbotsford headquarters, the kitchen/tea room has a 240 L general waste bin and a 240 L bin for commingled recyclables. The service area has 240 L commingled recycling bins and a toner recycling box. Individual workstation spaces are provided with an office paper recycling container which is then emptied into the recycling bins. There is also a $4m^3$ cardboard recycling bin for bulk cardboard. With the move to our Abbotsford headquarters, waste management and recycling services are now shared across multiple businesses with a shared loading dock; individual quantification of our waste and recycling will therefore not be possible. Suppliers of wooden pallets are requested to take back the pallets as Kodak refuses to accept the pallets being left on site.

Covenant Support and Commitments

This Action Plan covers the timeframe from July 2010 to July 2015, inclusive. Although significant changes to production practices and packaging types used are not anticipated, this Action Plan will be revised should circumstances change significantly.

Kodak (Australasia) Pty Ltd fully supports the Australian Packaging Covenant, its product stewardship principles and the Sustainable Packaging Guidelines contained therein. This support is reflected in our becoming a signatory and paying our contribution to the industry funding arrangements to assist in achieving Covenant targets, and in our commitments provided in the following tables.

Australian Packaging Covenant Goal 1. Packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety.
Kodak's 2010 Baseline Performance Apart from adoption of the Environmental Code of Practice for Packaging (ECoPP) under the National Packaging Covenant, Kodak (Australasia) Pty Ltd fully has had no formal packaging design process in place. However, Kodak's global operations have implemented continuous improvement and design considerations through our supplier requirements. Kodak's global HSE Product Specifications for Packaging and Packaging Components (EKSP-1594) apply to all packaging and packaging components, regardless of production location, that are supplied to, purchased, or used by Kodak. Assessment of whether a product or package meets these standards is integrated into our product commercialisation process. The principal standard for packaging is one around optimisation and requires a documented analysis that mirrors the Sustainable Packaging Guidelines. These specifications address a variety of principles and strategies for sustainable packaging under the Sustainable Packaging Guidelines, including:

- Specific listings of restricted materials which must not exceed specified thresholds or must not be used in packaging manufacture;
- Paper packaging must be manufactured using renewable pulps derived from managed natural regeneration forests and plantations. Suppliers should declare any chain-of-custody or third-party certification of the origin of pulp and paper (e.g., Forest Stewardship Council or Programme for the Endorsement of Forest Certification);
- Corrugated fibreboard packaging and packaging components must contain at least 25% recycled content. Post-consumer content should be used when feasible;
- With few exceptions, Plastic packaging materials must be marked with the appropriate Society of the Plastics Industry Inc. (SPI) resin identification code, which is comparable to the Plastics Identification Code; and
- Solid wood packaging materials that are used in international trade and may serve as a pathway for plant pests must be treated and marked when exported or imported, according to UN Standard ISPM-15 and be free of bark.

In addition to the packaging material requirements outlined in the Specifications, product packaging must comply with various state, country and regional requirements as specified.

Some recent examples of product redesign to minimise environmental impacts while maintaining packaging function and product protection include:

- The case for KODAK Photo Print Kit 6800/6R was redesigned to increase pallet utilisation. When implementation is complete, we will achieve 130/pallet vs. the current 80 units.
- We have achieved a 6% reduction for our KODAK 6800 Thermal Media 2-Pack, reducing package weight from 8.7 g to 8.2 g.
- For our Kiosks and APEX, we are currently involved in a study to eliminate an accessory pallet by combining the cabinet, thermal printers and accessories onto one pallet. Eliminating the second pallet would also result in a reduction in the amount of corrugated and foam packaging components needed.

Kodak Actions to Address Covenant Goal 1	**Timeframe**
Action 1a: Kodak (Australasia) Pty Ltd will conduct a gap analysis of the Kodak HSE Product Specifications for Packaging and Packaging Components (EKSP-1594) and related documents against the Covenant's Sustainable Packaging Guidelines to ensure integration of the Sustainable Packaging Guidelines.	By end-June, 2011
Action 1b: Kodak (Australasia) Pty Ltd will prepare checklists for conducting required product reviews to ensure conformance with the Sustainable Packaging Guidelines.	By end-June, 2011
Action 1c: The Eastman Kodak Company will formally establish a packaging covenant product review team tasked with conducting product reviews to ensure conformance with the Sustainable Packaging Guidelines. The team will include appropriate packaging and HSE expertise based in Rochester, New York.	By end-June, 2011
Action 1d: The Eastman Kodak Company will conduct a full review of our existing packaging against the Sustainable Packaging Guidelines using the checklists developed by Kodak (Australasia) Pty Ltd.	By end-March, 2012
Action 1e: Kodak (Australasia) Pty Ltd will evaluate all product reviews completed by the U.S.-based Covenant product review team and ensure that all necessary documentation for Covenant compliance, product reviews and supporting documentation is maintained in Australia with ready access to enable audits.	By end-June, 2012 and ongoing

Process and records for reporting against actions: The gap analysis, checklists, product reviews and all other Covenant-related documents will be stored and maintained in a network folder dedicated exclusively to the Covenant and demonstrating compliance with the Covenant and Sustainable Packaging Guidelines. All product reviews will be signed by all review team members, then scanned and stored in the network folder in addition to hard copy filing of the reviews.

Responsibility for delivering commitments: Actions 1a, 1b and 1e: Covenant contact officer.

Actions 1c and 1d: HSE support team based in Rochester, New York.

Australian Packaging Covenant Goal 2. The efficient collection and recycling of packaging.

Kodak's 2010 Baseline Performance

At our Abbotsford headquarters, the kitchen/tea room has a 240 L general waste bin and a 240 L bin for commingled recyclables. The service area has 240 L commingled recycling bins and a toner recycling box. Individual workstation spaces are provided with an office paper recycling container which is then emptied into the recycling bins. There is also a $4m^3$ cardboard recycling bin for bulk cardboard. With the move to our Abbotsford headquarters, waste management and recycling services are now shared across multiple businesses with a shared loading dock; individual quantification of our waste and recycling will therefore not be possible. Suppliers of wooden pallets are requested to take back the pallets as Kodak refuses to take back the pallets.

Kodak's global HSE Product Specifications for Packaging and Packaging Components (EKSP-1594) requires all paper products (including manuals and stuffer sheets) to either be certified by one of the following forest certification schemes:

- Any national certification system that has been endorsed by the Programme for the Endorsement of Forest Certification (PEFC), e.g. Sustainable Forestry Initiative (United States) and PEFC Canada; or
- The Forest Stewardship Council (FSC).

OR contain a minimum of 10% recycled content.

The EKSP-1594 further requires that all paper-based packaging must either be supplied by an FSC-certified source (or equivalent) OR meet the following recycled content requirements:

- paperboard – 80%
- corrugated fibreboard – 25%
- solid fibreboard – 40%
- spiral-wound tubes – 90%

Additionally, elemental chlorine must not be used to bleach virgin or recovered content fibres used in product packaging.

All rigid plastic containers must be marked with the appropriate SPI resin identification code and contain at least 25% post consumer recycled content to meet various U.S. state requirements. Exemptions exist for medical products.

Kodak Actions to Address Covenant Goal 2	**Timeframe**
Action 2a: Kodak (Australasia) Pty Ltd will maintain and, where opportunities are identified, increase opportunities for recycling within our operations.	Ongoing
Action 2b: Kodak (Australasia) Pty Ltd will maintain and, where opportunities are identified, increase the volume of recycled content purchased.	Ongoing

Process and records for reporting against actions: Current copies of all relevant procurement policies and records of identified opportunities to increase recycling or the use of recycled content will be stored and maintained in a network folder dedicated exclusively to the Covenant and demonstrating compliance with the Covenant and Sustainable Packaging Guidelines.

Responsibility for delivering commitments: Actions 2a and 2b: Covenant contact officer.

Australian Packaging Covenant Goal 3. Demonstrated commitment to product stewardship.	
Kodak's 2010 Baseline Performance Kodak formally adopted the ECoPP in 2001 and has specified commitments and timeframes within this Action Plan for adoption and implementation of the Sustainable Packaging Guidelines. Suppliers of wooden pallets are requested to take back the pallets as Kodak refuses to take back the pallets. Supplies are often ordered in smaller batch sizes to reduce need for pallets. Kodak's products are not likely to contribute in significant quantities to the litter stream in Australia. These views are reinforced by our review of National Litter Index data to date.	
Kodak Actions to Address Covenant Goal 3	**Timeframe**
Action 3a: Consistent with our specified actions to implement Covenant Goal 1, Kodak (Australasia) Pty Ltd will conduct a gap analysis of the Kodak HSE Product Specifications for Packaging and Packaging Components (EKSP-1594) and related documents against the Covenant's Sustainable Packaging Guidelines to ensure integration of the Sustainable Packaging Guidelines.	By end-June, 2011
Action 3b: Kodak (Australasia) Pty Ltd will post this Covenant Action Plan and subsequent Annual Reports on the australian version of our corporate website.	End of May 2011, then ongoing.
Action 3c: As Kodak's products are not likely to contribute in significant quantities to the litter stream in Australia, Kodak (Australasia) Pty Ltd hereby states that our contribution to litter reduction efforts will consist of our Covenant financial contribution.	Payment of Covenant financial contributions.
Process and records for reporting against actions: Action Plan and Annual Report processes as encompassed in the Covenant. **Responsibility for delivering commitments:** Actions 3a, 3b and 3c: Covenant contact officer.	

Adrian Fleming
Managing Director – Kodak (Australasia) Pty Ltd

Appendix A – Kodak Supplier Requirements on Environmental Management

ENVIRONMENTAL MANAGEMENT - Kodak References

- Stewardship Initiatives:
- http://www.kodak.com/global/en/corp/Sustainability/stewardship.jhtml?pq-path=2879/2300593/2300597
- Kodak HSE Initiatives:
- http://www.kodak.com/US/en/corp/HSE/homepage.jhtml?pq-path=2879/7196
- Kodak HSE Product Specifications for Packaging and Packaging Components (EKSP-1594): www.kodak.com/go/hsesupplier